

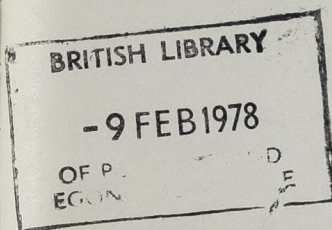
PA601

① S/42 (MA 251)

42

R834

1973



# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production

### Gas



HMSO

Department of Industry  
Business Statistics Office

### Special Note for Purchasers

Commencing with the 1971 Census, the Census of Production reports are being numbered in a uniform series embracing all industrial inquiries in the Business Monitor series. These Business Monitors have a code P (for production) followed first by A (indicating that it is an annual series) or Q (quarterly) or M (monthly); and then by a number indicating the minimum list heading, or sub-division of a minimum list heading, of the Standard Industrial Classification (revised 1968).

The Census of Production (PA) reports are available on standing order (details on application to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH. Telephone 01-928 6977), although they are not included in the global subscription arrangements for the Business Monitor series.

### Government Statistical Service

A service of statistical information and advice is provided to the Government by specialist staffs employed in the statistics division of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Departments concerned.

### Enquiries:

Business Statistics Office  
Newport, Gwent  
NPT 1XG  
Newport 56111 (STD code 0633) ext 2455  
Telex 497121  
Answer Back BSONPT G

# PA601

# Business Monitor

A publication of the Government Statistical Service

## Report on the Census of Production 1973

### Gas

Presented by the Secretary of State for Industry  
to Parliament in pursuance of the Statistics of Trade Act 1947  
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry  
Business Statistics Office

London: Her Majesty's Stationery Office 1976

## List of Industry Reports, etc.

PA1001	Introductory notes	PA369.1	Electrical equipment for motor vehicles, cycles and aircraft
PA101	Coal mining	PA369.2	Primary and secondary batteries
PA102	Stone and slate quarrying and mining	PA369.4	Electric lamps, electric light fittings, wiring accessories, etc.
PA103	Chalk, clay, sand and gravel extraction	PA370	Shipbuilding and marine engineering
PA104	Petroleum and natural gas	PA380	Wheeled tractor manufacturing
PA109	Miscellaneous mining and quarrying	PA381.1	Motor vehicle manufacturing
PA211	Grain milling	PA381.2	Trailers, caravans and freight containers
PA212	Bread and flour confectionery	PA382	Motor cycle, tricycle and pedal cycle manufacturing
PA213	Biscuits	PA383	Aerospace equipment, manufacturing and repairing
PA214	Bacon curing, meat and fish products	PA384	Locomotives, railway track equipment, railway carriages, wagons and trams
PA215	Milk and milk products	PA390	Engineers' small tools and gauges
PA216	Sugar	PA391	Hand tools and implements
PA217	Cocoa, chocolate and sugar confectionery	PA392	Cutlery, spoons, forks and plated tableware, etc.
PA218	Fruit and vegetable products	PA393	Bolts, nuts, screws, rivets, etc.
PA219	Animal and poultry foods	PA394	Wire and wire manufactures
PA221	Vegetable and animal oils and fats	PA395	Cans and metal boxes
PA229.1	Margarine	PA396	Jewellery and precious metals
PA229.2	Starch and miscellaneous foods	PA399.1	Metal furniture
PA231	Brewing and malting	PA399.5	Drop forgings, etc.
PA232	Soft drinks	PA399.6	Metal hollow-ware
PA239.1	Spirit distilling and compounding	PA399.8	Miscellaneous metal manufacture
PA239.2	British wines, cider and perry	PA411	Production of man-made fibres
PA240	Tobacco	PA412	Spinning and doubling on the cotton and flax systems
PA261	Coke ovens and manufactured fuel	PA413	Weaving of cotton, linen and man-made fibres
PA262	Mineral oil refining	PA414	Woollen and worsted
PA263	Lubricating oils and greases	PA415	Jute
PA271.1	Inorganic chemicals	PA416	Rope, twine and net
PA271.2	Organic chemicals	PA417.1	Hosiery and other knitted goods
PA271.3	Miscellaneous chemicals	PA417.2	Warp knitting
PA272	Pharmaceutical chemicals and preparations	PA418	Lace
PA273	Toilet preparations	PA419	Carpets
PA274	Paint	PA421	Narrow fabrics
PA275	Soap and detergents	PA422.1	Household textiles and handkerchiefs
PA276	Synthetic resins and plastics materials and synthetic rubber	PA422.2	Canvas goods and sacks and other made-up textiles
PA277	Dyestuffs and pigments	PA423	Textile finishing
PA278	Fertilizers	PA429.1	Asbestos
PA279.1	Polishes	PA429.2	Miscellaneous textile industries
PA279.2	Formulated adhesives, gelatine, etc.	PA431	Leather (tanning and dressing) and fellmongery
PA279.3	Explosives and fireworks	PA432	Leather goods
PA279.4	Formulated pesticides, etc.	PA433	Fur
PA279.5	Printing ink	PA441	Weatherproof outerwear
PA279.6	Surgical bandages, etc.	PA442	Men's and boys' tailored outerwear
PA279.7	Photographic chemical materials	PA443	Women's and girls' tailored outerwear
PA311	Iron and steel (general)	PA444	Overalls and men's shirts, underwear, etc.
PA312	Steel tubes	PA445	Dresses, lingerie, infants' wear, etc.
PA313	Iron castings, etc.	PA446	Hats, caps and millinery
PA321	Aluminium and aluminium alloys	PA449.1	Corsets and miscellaneous dress industries
PA322	Copper, brass and other copper alloys	PA449.2	Gloves
PA323	Miscellaneous base metals	PA450	Footwear
PA331	Agricultural machinery (except tractors)	PA461.1	Refractory goods
PA332	Metal-working machine tools	PA461.2	Building bricks and non-refractory goods
PA333	Pumps, valves and compressors	PA462	Pottery
PA334	Industrial engines	PA463	Glass
PA335	Textile machinery and accessories	PA464	Cement
PA336	Construction and earth-moving equipment	PA469.1	Abrasives
PA337	Mechanical handling equipment	PA469.2	Miscellaneous building materials and mineral products
PA338	Office machinery	PA471	Timber
PA339.1	Mining machinery	PA472	Furniture and upholstery
PA339.2	Printing, bookbinding and paper goods machinery	PA473	Bedding, etc.
PA339.3	Refrigerating machinery, space-heating, ventilating and air-conditioning equipment	PA474	Shop and office fittings
PA339.5	Scales and weighing machinery and portable power tools	PA475	Wooden containers and baskets
PA339.7	Food and drink, processing machinery and packaging and bottling machinery	PA479	Miscellaneous wood and cork manufactures
PA339.9	Miscellaneous (non-electrical) machinery	PA481	Paper and board
PA341	Industrial (including process) plant and steelwork	PA482.1	Cardboard boxes, cartons and fibre-board packing cases
PA342	Ordnance and small arms	PA482.2	Packaging products of paper and associated materials
PA349.1	Ball, roller, plain and other bearings	PA483	Manufactured stationery
PA349.2	Precision chains and other mechanical engineering	PA484.1	Wallcoverings
PA351	Photographic and document copying equipment	PA484.2	Miscellaneous manufactures of paper and board
PA352	Watches and clocks	PA485	Printing, publishing of newspapers and periodicals
PA353	Surgical instruments and appliances	PA489	General printing and publishing
PA354	Scientific and industrial instruments and systems	PA491	Rubber
PA361	Electrical machinery	PA492	Linoleum, plastics floor-covering, leathercloth, etc.
PA362	Insulated wires and cables	PA493	Brushes and brooms
PA363	Telegraph and telephone apparatus and equipment	PA494.1	Toys, games and children's carriages
PA364	Radio and electronic components	PA494.3	Sports equipment
PA365.1	Gramophone records and tape recordings	PA495	Miscellaneous stationers' goods
PA365.2	Broadcast receiving and sound reproducing equipment	PA496	Plastics products
PA366	Electronic computers	PA499.1	Musical instruments
PA367	Radio, radar and electronic capital goods	PA499.2	Miscellaneous manufacturing industries
PA368	Electrical appliances primarily for domestic use	PA601	Gas
		PA602	Electricity
		PA603	Water supply
		PA1002	Summary tables

## PA601 GAS

PA601 1

The information in this report relates to undertakings classified to the Gas industry, minimum list heading 601 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

*The production and distribution of gas for public supply. Construction work carried out by employees of gas undertakings is included. Gas showrooms are also included. Undertakings (other than transport undertakings) producing gas primarily for their own use are excluded and are included in the industries covering the major output of the parent works.*

This report covers all undertakings of the twelve Area Gas Boards covering Great Britain, together with the Gas Council and the gas undertakings in Northern Ireland.

The tables have been compiled from returns made to the Department of Energy. The figures for 1970 relate to the year ended 31 March 1971, those for 1971 to the year ended 31 March 1972, those for 1972 to the year ended 31 March 1973 and those for 1973 to the year ended 31 March 1974.

**In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page (iii).**

## LIST OF CONTENTS

Table No	Title	Page
	United Kingdom undertakings classified to the industry	
1	Output and costs, 1970, 1971, 1972 and 1973	PA601 2
2	Capital expenditure, 1970, 1971, 1972 and 1973	PA601 3
3	Stocks and work in progress, 1970, 1971, 1972 and 1973	PA601 3
4	Analysis of undertakings by size, 1973	Does not apply
5	Distribution of employment, net capital expenditure and net output, by country, 1973	PA601 5
6	Percentage analysis of twelve-month periods covered by returns received, 1973	Does not apply
7	Percentage analysis of employees, by full and part-time employment and sex, 1973	PA601 7
8	Sales of principal products of the industry, 1973	Does not apply

TABLE 1

PA601 2

Output and costs, 1970, 1971, 1972 and 1973  
All United Kingdom undertakings classified to the industry

	Unit	1970	1971	1972	1973
Gas, etc. sold and work done (a)	£'000				864,541
Capital goods produced for undertakings' own use (b)	"	671,302	760,156	876,101	43,262
Non-industrial services rendered (c)	"				9,389
Goods merchanted or factored	"	67,079	73,081	75,134	119,416
<b>Total sales and work done (c)</b>	"	<b>738,381</b>	<b>833,237</b>	<b>951,235</b>	<b>1,036,608</b>
Increase during the year, work in progress and goods on hand for sale (d)	"	-506	-4,297	2,884	-1,875
<b>Gross output (c)</b>	"	<b>737,875</b>	<b>828,940</b>	<b>954,119</b>	<b>1,034,733</b>
Purchases of materials for use in production, and packaging and fuel (b)	"				343,485
Purchases of goods for merchenting or factoring (b)	"	266,840	287,688	333,257	51,606
Increase during the year, stocks of materials, stores and fuel	"	139	-7,495	-1,002	-2,049
Cost of industrial services received (e)	"	92,621	93,387	87,021	81,085
<b>Net output (f)</b>	"	<b>378,553</b>	<b>440,370</b>	<b>532,839</b>	<b>556,508</b>
<b>Net output per head (f)</b>	£	<b>3,193</b>	<b>3,789</b>	<b>4,879</b>	<b>5,319</b>
Payments for non-industrial services (g)					
Rents, hire of plant, machinery and vehicles	£'000				4,725
Commercial insurance premiums	"				1,896
Bank charges	"				816
Other non-industrial services	"				62,402
Licensing of motor vehicles (h)	"				1,086
Rates, excluding water rates (h)	"				14,837
<b>Gross value added at factor cost</b>	"				<b>470,746</b>
<b>Gross value added at factor cost per head</b>	£				<b>4,499</b>
<b>Total employment (j)</b>	Number	<b>118,546</b>	<b>116,208</b>	<b>109,196</b>	<b>104,634</b>
Operatives	"	57,753	53,153	48,747	44,703
Others (k)	"	60,793	63,055	60,449	59,931
<b>Wages and salaries (l)</b>					
Operatives	£'000	75,638	80,198	87,143	88,932
Others (k)	"	88,481	104,770	130,329	124,181
<b>Wages and salaries per head</b>					
Operatives	£	1,310	1,509	1,788	1,989
Others (k)	"	1,456	1,663	2,156	2,072

- (a) Including sales of gas and other products, charges for work done, meter rents received and work of new construction.  
 (b) Not recorded separately for 1970-1972.  
 (c) The figures for 1970-1972 do not include revenue from rents for industrial buildings.  
 (d) Including stocks of appliances for England, Scotland and Wales. The value of work in progress was not collected for 1970-1972.  
 (e) The figures for 1970-1972 exclude the amounts payable for repairs and maintenance.  
 (f) The definition of net output used in previous census reports provided for the deduction of amounts payable to other organisations for transport of goods within the United Kingdom. The net output and net output per head figures on that basis were:-
- | Year | Net output<br>£'000 | Net output per head<br>£ |
|------|---------------------|--------------------------|
| 1970 | 374,769             | 3,161                    |
| 1971 | 438,599             | 3,774                    |
| 1972 | 531,329             | 4,866                    |
- (g) Not collected for 1970-1972 except for amounts payable to other organisations for transport of goods within the United Kingdom.  
 (h) Not collected for 1970-1972.  
 (j) Average number employed (full and part-time; see table 7) during the year.  
 (k) Administrative, technical and clerical employees.  
 (l) Another important component of labour costs, employers' national insurance contributions, graduated pensions, contributions to other pensions and welfare schemes and the running costs of canteens, is estimated for the industry at £31,927 thousand for 1973. These costs were not collected for 1970-1972.

TABLE 2

PA601 3

Capital expenditure, 1970, 1971, 1972 and 1973  
All United Kingdom undertakings classified to the industry (a)

	£'000			
	1970	1971	1972	1973
Land and buildings				
New building work	7,377	6,319	5,984	8,200
Land and existing buildings				
Acquisitions	4,507	1,827	784	2,700
Disposals	2,684	4,722	3,159	3,525
Vehicles and mobile plants (including ships and barges)				
Acquisitions				
Motor cars (b)	3,246	3,983	3,544	566
Other vehicles (b)				
Disposals				
Motor cars (b)	1,090	505	2,496	435
Other vehicles (b)				
Plant and machinery				
Acquisitions (c)	77,963	76,273	44,080	121,977
Disposals	3,347	2,009	2,503	3,121
Mains and services				
Acquisitions	125,660	81,943	65,707	76,300
Disposals	2,119	-	2,644	3,300
<b>Total net capital expenditure (d)</b>	<b>209,513</b>	<b>163,109</b>	<b>109,297</b>	<b>199,252</b>

- (a) Capital expenditure in respect of manufacturing undertakings where production had not commenced before the end of the year, is included.  
 (b) Not recorded separately for 1970-1972.  
 (c) Including appliances for hire and meters.  
 (d) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.

TABLE 3

Stocks and work in progress, 1970, 1971, 1972 and 1973  
All United Kingdom undertakings classified to the industry

	£'000			
	1970	1971	1972	1973
	Increase			Value at end of year
Materials, stores and fuel	139	-7,495	-1,002	-2,049
Work in progress (a)	..	..	..	-95
Goods on hand for sale (b)	-506	-4,297	2,884	-1,780
<b>Total</b>	<b>-367</b>	<b>-11,792</b>	<b>1,882</b>	<b>-3,924</b>

- (a) The value of work in progress was not collected for 1970-1972.  
 (b) Including stocks of appliances for England, Scotland and Wales.

TABLE 4

PA601 4

Analysis of undertakings by size, 1973  
All United Kingdom undertakings classified to the industry

This table is not applicable to the industry

TABLE 5

PA601 5

Distribution of employment, net capital expenditure and net output, by country, 1973

All United Kingdom undertakings classified to the industry

Country	Average number employed		Net capital expenditure (a)			Net output		
			Total	Land and existing buildings (b)	Other (b)	£'000	£'000	per cent of United Kingdom
	Number	per cent of United Kingdom	£'000	per cent of United Kingdom	£'000	£'000	£'000	per cent of United Kingdom
England	91,898	87.8	177,939	89.3	-629	178,568	504,363	90.6
Wales	4,197	4.0	8,449	4.3	-229	8,678	14,255	2.6
Scotland	7,315	7.0	12,005	6.0	33	11,972	34,162	6.1
Great Britain	103,410	98.8	198,393	99.6	-825	199,218	552,780	99.3
Northern Ireland	1,224	1.2	859	0.4	-	859	3,728	0.7
United Kingdom	104,634	100.0	199,252	100.0	-825	200,077	556,508	100.0

(a) New building work plus acquisitions less disposals of land and existing buildings, plant and machinery, vehicles and mains and services.

(b) Acquisitions less disposals.

TABLE 6

PA601 6

Percentage analysis of twelve-month periods covered by returns received, 1973

This table is not applicable to the industry

This table is not applicable to the industry							

TABLE 7

PA601 7

Percentage analysis of employees, by full and part-time employment and sex, 1973 (a)

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	78	1	79
Female	17	4	21
	<b>95</b>	<b>5</b>	<b>100</b>

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom at mid-June, 1973.

Printed in Great Britain by the Ministry of Technology  
 Government Printing Office  
 London E.C.4A 3DF

Sales of principal products of the industry, 1973

**Does not apply**

For this industry, the quarterly inquiry into manufacturers' sales did not commence until the second quarter of 1974.

**Notes**

These notes give the main information needed for interpreting the figures in the industry Business Monitors: more detailed information about the census is given in a separate Business Monitor — PA1001 (Introductory Notes) of the Report on the Census of Production, 1973.

**GENERAL INFORMATION***Changes made for 1973*

The Census for 1973 was the first to be modified to bring it into line with similar inquiries being conducted in other member countries of the European Economic Communities. One modification has made possible the publication for the first time in the Annual Censuses of data on a number of additional items. These include:

- Capital goods produced for establishments' own use (previously included with sales of goods produced etc.)
- Purchases of goods for merchanting or factoring (previously included with purchases of materials etc.)
- Payments for non-industrial services
- Licensing of motor vehicles
- Rates, excluding water rates
- Gross value added
- Amounts paid to outworkers (where applicable)
- Employers' national insurance contributions etc.

*Suppression of information relating to individual undertakings*

The Statistics of Trade Act 1947 provides that— "No individual estimates or returns, and no information relating to an individual undertaking, obtained under the foregoing provisions of this Act, shall, without the previous consent in writing of the person carrying on the undertaking which is the subject of the estimates, returns or information, be disclosed except—

- (a) in accordance with directions given by the Minister in charge of the government department in possession of the estimates, returns or information to a government department or to the Import Duties Advisory Committee for the purposes of the exercise by that department or committee of any of their functions; or
- (b) for the purposes of any proceedings for an offence under this Act or any report of these proceedings."

If a figure involved disclosure the contributor concerned was sometimes asked to give permission for its publication. In the majority of cases this permission was given but when it was refused and in cases where the contributors were not approached the figure has been suppressed, sometimes by combining it in some way with other figures, but sometimes — as in the regional tables by omitting the figure altogether.

*Symbols used*

The following symbols are used throughout the PA series of Business Monitors:

- .. not available
- nil or less than half the final digit shown
- \* figures cannot be shown owing to the risk of disclosing information about individual undertakings
- R revised

*Rounding of figures*

Figures in the tables have, where necessary, been rounded to the nearest final digit. There may, therefore, be an apparent slight discrepancy between a sum of constituent items and a total shown.

*Industrial classification*

The United Kingdom Standard Industrial Classification (SIC) was first issued in 1948 and was subsequently revised in 1958 and 1968. It exists to promote uniformity and comparability in the official statistics of the United Kingdom. The general principles followed are those of the International Standard Industrial Classification of all Economic Activities of the United Nations Statistical Office but the United Kingdom SIC reflects the organisation and structure of industry and trade as it exists in the United Kingdom. The SIC is a classification by activity and is not a commodity classification. However, an index of all commodity headings for which sales data are provided in the Quarterly Business Monitors is published as PQ1000 in the Business Monitor Series.

The SIC is revised every 10 years or so and is to be revised to bring it more closely into line with the General Industrial Classification of Economic Activities within the European Communities (NACE).

**THE REGISTER**

The register permits a questionnaire to be sent direct to the reporting establishment/undertaking on which the latter can include information relating to all manufacturing (or local) units which it comprises. The inquiries provide a major source of information for keeping the register continuously up-to-date and act as a check on its detail and structure. For the establishments/undertakings on the register which make returns to the quarterly inquiries, the industrial classification is derived from an analysis of their sales of commodities and is reviewed annually. Employment data is entered on the register from returns to the annual census of production. In cases where an establishment/undertaking does not make a return to these inquiries the employment data is based on information provided by the Department of Employment from the annual censuses of employment.

Establishments/undertakings with 20 or more employees are included in the censuses each year and the information they supply to the census is supplemented by the returns that those of them with 25 or more employees provide to the quarterly inquiries. Information about establishments/undertakings with less than 20 employees in most industries is less securely based, but increasing use has been made of data on these small establishments/undertakings supplied by the Department of Employment. One benefit of using this information is an improvement in the estimates of the number of smaller establishments/undertakings, but there is little effect on other aggregates (e.g. employment, output, net capital expenditure).

*Coverage*

A return was required in the 1973 Census from each establishment/undertaking with 20 or more employees. Each establishment/undertaking is classified to an industry, as defined in the SIC, whose principal products form the major part of the establishment's/undertaking's sales.

**TERMS USED IN THE CENSUS REPORT***Average number employed*

Undertakings were required to state the number of persons on the payroll (i.e. whose national insurance cards were held by them) on the average during the year of return, whether full-time or part-time employees. Separate figures were required for:

- (a) administrative, technical and clerical employees
- (b) all other employees (operatives)

Averages could be calculated from the figures relating to the last week of each calendar month. The figures include persons engaged on merchanting or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

*Employees*

Administrative, technical and clerical employees include directors in receipt of a definite wage, salary or commission, managers, superintendents and works foremen; research, design employees (other than operatives); draughtsmen, editorial staff, advertising staff, travellers and all office employees.

Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include operatives employed in power stations, transport (including roundsmen), warehouses, stores, shops and canteens, inspectors, maintenance workers and cleaners. Operatives engaged in outside work of erecting, fitting etc. are also included.

*Capital expenditure*

Capital expenditure during the year in respect of manufacturing units where production had not started before the end of the year is included in the figures for 1970 to 1973. Undertakings were asked not to deduct from the value of capital expenditure amounts received or expected to be received in grants or allowances from the Government or any statutory body or local authority. Undertakings with 100 or more employees were also asked to include a total net capital expenditure figure for the calendar year 1973.

*(a) New building work*

This represents the cost incurred during the year of new building and other constructional work to be used in connection with the business covered by the return. The value is

that charged to capital account during the year of return; it includes expenditure on new buildings or on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the establishment's own staff and the cost of any newly constructed buildings purchased. Figures shown include any legal charges, stamp duties, agents' commissions, etc.

**(b) Land and existing buildings**

The items shown are the capital cost of freeholds purchased and the capital cost of premium payable for leaseholds acquired (excluding the value of any assets acquired in taking over an existing business), and the amounts receivable for any freeholds or leaseholds disposed of. The value is that charged to capital account during the year of return.

**(c) Plant, machinery and vehicles**

The items shown are the value of plant and machinery and of vehicles acquired, both new and second-hand, and the amount received for items disposed of during the year. The value of plant and machinery acquired includes plant, etc., which firms produced for their own use in connection with the business covered by the return. The value of plant etc., acquired is the expenditure charged to capital account during the year of return less any discounts received, but including the cost of transport and installation. Deductible value added tax is excluded but non-deductible value added tax on motor cars acquired is included. No deduction is made for depreciation, amortization or obsolescence. The proceeds of items disposed of during the year exclude amounts written-off for items scrapped.

**Gross output**

In the calculation of gross output the value of total sales and work done is increased by the rise (or reduced by the fall) during the year in the value of work in progress and goods on hand for sale.

**Net output**

Net output, a customary census measure, is calculated by deducting from gross output the cost of purchases (reduced by the rise, or increased by the fall, during the year of stocks of materials etc.) and the cost of industrial services received, and - where applicable - duties etc.

**Net output per head**

The figures of net output per head are derived by dividing the net output by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees.

**Gross value added at factor cost**

Gross value added at factor cost is calculated by deducting from net output the cost of non-industrial services (rent of buildings and capital equipment, commercial insurance premiums, bank charges and amounts paid for professional services, postal etc. services, transport, advertising etc.). This estimate of gross value added approaches more closely than census net output to the definition of net output or value added in national accounts statistics.

**Gross value added at factor cost per head**

The figures of gross value added at factor cost per head are derived by dividing the gross value added by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees.

**Purchases**

Purchases include the cost of materials and components bought for use in production; of fuel and electricity for all purposes; of packaging materials including the cost of returnable cases and containers when first purchased; of workshop materials; office materials and materials for repairs to undertaking's own buildings, plants and vehicles when carried out by their own work people included in the returns; of

consumable tools; and of parts for machinery purchased during the year as replacements. Water charges are also included. Purchases of goods for merchanting or factoring were collected separately for 1973. Materials supplied by customers for processing are excluded, as are all purchases charged to capital account. The values shown exclude value added tax but include any duty paid (less rebate etc.), values exclude trade discounts allowed. The cost of transport is included only if included in the cost of materials as invoiced; amounts paid to transport organisations, including an undertaking's own separate transport organisations for delivery of materials and fuel are therefore, excluded. Materials purchased overseas are included at the c.i.f. cost plus any duty payable if the cost of transport from the docks are not included in the invoiced price, but at their full delivery cost if invoiced "carriage paid home". Materials and fuel transferred from another department of the undertaking not covered by the same return are included at the estimated selling value recorded by the other department.

**Sales of goods produced, work done and industrial services rendered**

Sales for the purposes of the annual censuses means deliveries on sale of goods made by undertakings in the United Kingdom covered by the inquiry. Sales of goods made for these undertakings by other undertakings from materials given out to them are included; as also are sales of waste products. Any new building work and machinery or other capital items produced by undertakings for hiring out or leasing are regarded as sales, the value included in the return being that adopted in the undertakings' capital asset accounts. Forward sales and canteen takings are excluded. All sales in the period of the inquiry are included irrespective of when the goods were manufactured. Goods produced in one undertaking and transferred either to ancillary departments not engaged in production and for which there are separate accounts, or to another undertaking of the same firm not covered by the return, are treated as sales by the producing undertaking and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations, for which separate accounts are kept are valued on the same basis.

The value shown for sales is the "net selling value" defined as the amount (excluding value added tax) charged to customers whether on an ex-works or delivered basis, after any trade discounts and agents commissions have been deducted. The cost of packing materials less allowance for returnable cases is included.

Figures for work done represent the amount charged for work carried out on materials supplied by a customer and include repair and jobbing work, erection and installation of plant and machinery, exploration work, and research and development. Industrial services rendered includes repair and maintenance, installation work, and technical research and studies rendered to other organisations.

**Capital goods produced for undertakings' own use**

This includes all work carried out during the year by the undertakings' own staff for their own use, which was of a capital nature.

**Non-industrial services rendered**

Includes rents received for commercial and industrial buildings, amounts charged for hiring out plant, machinery and other goods and amounts charged to other organisations for the provision of transport. Also includes amounts received for the right to use patents, trademarks, copyrights, etc., manufacturing and quarrying rights and technical "know-how"; revenue from such staff facilities as canteens is also included.

**Goods merchanted or factored**

Merchant goods are those (excluding canteen sales) sold without having been subjected to any manufacturing process by the seller.

**Stocks and work in progress.**

Values are given of stocks of goods on hand for sale and of materials, stores and fuel, at the end of the year of return and of the change during the year including any stocks of goods

held for merchanting or factoring. Work in progress is defined as materials which have been partially processed by the establishment but which are not usually sold or transferred to another establishment without further processing. The values include the cost of materials consumed and labour used, together with a margin of overhead costs, and profits. Progress payments made to sub-contractors are excluded and progress payments received from other organisations are not deducted.

**Wages and salaries**

These are amounts paid during the year to operatives and to administrative, technical and clerical employees. The values shown include all overtime payments, bonuses and commissions, whether paid regularly or not, and no deduction is

made for income tax, insurances, contributory pensions, etc. The value of any payments in kind, travelling expenses, lodging allowances, etc. and employers' contributions to national insurances and pension schemes are excluded.

**Employers' insurance and welfare contributions**

This item includes employers' contributions to national insurance and graduated pensions as well as commercial insurance premiums to provide pensions, superannuation or other retirement benefits, sickness benefits, personal accident benefits, disability or death benefits for employees or former employees or their dependants. Contributions to the running costs of canteens, social centres, children's holiday homes, etc. for employees, former employees, and their dependants are also included.



© Crown copyright 1977

**Her Majesty's Stationery Office**

*Government Bookshops*

49 High Holborn, London WC1V 6HB

13a Castle Street, Edinburgh EH2 3AR

41 The Hayes, Cardiff CF1 1JW

Brazenose Street, Manchester M60 8AS

Southey House, Wine Street, Bristol BS1 2BQ

258 Broad Street, Birmingham B1 2HE

80 Chichester Street, Belfast BT1 4JY

*Government publications are also available  
through booksellers*

*Extracts from this publication may be reproduced  
provided the source is acknowledged. Proposals for  
complete reproduction should be addressed to the  
Librarian, Business Statistics Office, Newport,  
Gwent NPT 1XG*